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EU Digital Strategic Responsibility: The Road to a Transatlantic Tech Alliance

At its current trajectory and in view of the dominant mood in Brussels and Strasbourg, the EU risks overregulating big tech companies, thereby hampering innovation, damaging the Transatlantic relationship and weakening democracy in its struggle against authoritarianism. The regulation envisaged in the Digital Markets Act (DMA) to be voted next week in the European Parliament goes too far and has been adopted too fast. The EU needs to rethink its position to better promote growth and innovation and seek common ground with our US allies.

Promoting innovation and growth

Let's start with a simple truth: Big Tech companies deliver services for free that most citizens in modern societies would never want to live without. And Big Tech would not be able to do so if there were no profits involved.

One can and should discuss how precisely, in these circumstances, citizens' rights to privacy and data security should be protected. But to only target the five biggest tech companies, all American, with massive obligations as so-called gatekeepers, would be counterproductive not just for them but for Europe's own tech companies. Protectionism doesn't help innovation. There are numerous ways to help start-ups and medium-sized tech firms in Europe that do not involve cracking down on the big American ones. That ranges from cutting red tape to improving digital ecosystems.

In the pandemic-induced shaky state our economies are still in, a better approach to tech regulation would promote growth. Europe's post-COVID recovery can only benefit from that.

Transatlantic second vows

One reason that a Transatlantic approach makes sense is the fact that many digital actors in Europe are American. Meanwhile, Congress is discussing its own regulation of 'Silicon Valley'. The ideal venue for a Transatlantic approach to tech regulation is the Tech and Trade Council (TTC), created in 2021 as a reaction to the Biden administration's reaching out to European allies after the Trump years. The second TTC meeting will happen early 2022: That is where the EU should seek common ground and coordinate with our most important partner and ally.

The imperative for the TTC should be to create a level Transatlantic digital playing field, avoid unilateral regulation, and come up with specific proposals to stimulate transatlantic collaboration on innovation. Europe and America have far more to gain by cooperating on invest in the technologies of the future than by going separate ways.

Strengthening democracy

The most important rationale for a Transatlantic Tech Alliance is that democracy is threatened by a global authoritarianism that has increasingly turned to using digital tools. China under the Communist Party has become the leading power of this digital autocracy, and it has laid out concrete plans to create a blueprint for other authoritarian states on how best to use technology to crack down on dissent at home and aggressively weaken democracy abroad. In several strategy documents released in 2020, the CCP has tried to embed its antidemocratic values in globally valid tech norms.

This makes a common Western approach to tech regulation all the more imperative. Democracies should strengthen their digital competitiveness and bolster their unity. That works only if they avoid protectionism and don't let themselves be split.

Here are the dos and don'ts of a strategically responsible EU tech policy for 2022, ideally: Don't rush, don't overregulate, don't single out the 5 Big Tech companies, and focus on growth, innovation and democratic resilience against authoritarianism - with a Transatlantic Tech Alliance.